

**Vote**

**YES**

**to Europe**  
**Best for Farmers**  
**Best for Ireland**



# Key Reasons for Farm Families to Vote **YES**

- **Unrestricted access for Irish farmers to a valuable market of 500 million European consumers.** Over 75% of Ireland's €8.2 billion agri-food exports is sold within EU countries.
- **Membership of the Euro has kept interest rates low** and is vital to maintaining economic stability in these very challenging times.
- **The EU Single Farm Payment contributes almost 60% of net national farm income.**
- **Irish farmers and the rural economy benefit significantly from the EU-funded REPS and Disadvantaged Areas Schemes.** **Cutbacks in these schemes are exclusively an Irish Government decision.**
- **Full EU membership is key to Ireland's success in attracting foreign direct investment,** providing jobs and creating opportunities for Irish farm families.

Vote **YES** to Europe  
Best for Farmers  
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Supporting a **YES** vote to Lisbon on October 2

# Why Farmers, their Families and Rural Dwellers should vote YES for the Lisbon Treaty

## What's at Stake?

- The agricultural sector is more integrated into the EU than any other economic sector. It is the only major sector with a common EU policy, the Common Agricultural Policy (CAP), which is centrally funded from the EU budget.
- The benefits of EU membership and CAP supports to Irish Farming and the agri-food industry are very substantial and must be protected. The details are set out in the following pages. The annual transfers from the EU budget are summarised in the following table:

Transfers from EU to Irish Farming and Food Sector, 2008 (€m)

Single Payment Scheme	1,300
Market Supports	16
Farm Rural Development*	300
LEADER (2009)	45
<b>TOTAL</b>	<b>1,661</b>

(\* EU co-funding element of REPS, Disadvantaged Areas and other RD schemes; average 2007-2013)

- Although Irish Farming is currently suffering a severe income crisis, the source of the problem is much more of national origin rather than European, i.e. high cost Irish economy, lack of adequate banking regulation, and blunt cuts in public expenditure. Clearly we have concerns from time to time about some aspects of EU policy on agriculture, such as management of product markets and world trade negotiations, but the only way to influence these decisions is by Ireland continuing to be at the centre of EU decision-making.
- Membership of the EU and the euro are vital for the future of the overall Irish economy, in terms of access to markets, stable exchange rates, low interest rates, and foreign direct investment in Ireland. These are key issues for export-dependent sectors including the agri-food sector, and for the overall rural economy. It is clear that Ireland's capacity to overcome the current economic and financial problems facing the country would be much diminished without the stability of the euro and the support of the European Central Bank.
- There are major issues for decision at EU level in the next few years, such as the funding of CAP post 2013, the future structure and level of CAP direct payments, and the WTO negotiations. The only way to ensure that Ireland has the best representation is by this country continuing to be a full EU member at the centre of EU integration, and on the basis of alliances with other member states, built on goodwill and mutual understanding.
- The concerns raised by many voters following the referendum of June 2008 have been successfully addressed by the Irish Government and the other 26 member states.

- IFA believes that a “YES” vote best serves our country’s economic, social and political interests in the years ahead. It is clear that the farming and agri-food sector is particularly dependent on Europe. IFA Executive Council has decided unanimously to support a YES vote in the Lisbon referendum.

## **Benefits of EU Membership to Irish Farming and the Agri-Food Sector**

- Ireland’s food and drink exports are valued by Bord Bia at €8.2 billion. Over 75% of Ireland’s agri-food exports go to the EU.
- The EU of 27 member states contains a population of close to 500 million people. This very large internal market for food is underpinned by the market support system of the CAP. The CAP benefits consumers by ensuring a secure supply of high quality, safe food at generally stable prices.
- The most important form of market support under the CAP is the import tariff system for the main products. The EU import tariffs help to protect the internal market from low and fluctuating “world market” prices. Import tariffs are relatively strong for beef and dairy products; these two sectors account for 65% of total agricultural output in Ireland.
- Following the Fischler reform of the CAP in 2003, a range of previous income supports in the form of livestock premia and arable area aid were replaced by the “decoupled” single farm payment. The decoupled direct payments are a means of compensating farmers in the EU for a range of regulations on the environment, food safety and traceability and animal welfare, with which they must comply. Decoupled payments are also in compliance with the EU’s obligations as regards international trade.
- The EU single farm payment is a very significant component of farm income in Ireland; in 2008 for example it equated to 56% of national farm income of €2,299m.
- Ireland’s CAP Rural Development Programme is co-financed by the EU and the national exchequer. As Ireland is one of the more prosperous of the 27 EU member states (measured in terms of GDP/capita), the EU co-financing rate at 40% is now much lower than under earlier programmes, when the majority of the funding was borne by the EU.
- The two main measures, REPS (€312m) and Disadvantaged Areas scheme (€256m), contributed €568m (including national exchequer and EU funding) to farm income in 2008, which equated to a further 25% of national farm income. Indeed, without the EU, Ireland would not have a REPS scheme or Disadvantaged Areas scheme. The cut-backs in the funding of these schemes in 2009 relate to the national exchequer component, not the EU component.

## **International Trade / WTO Issues**

- The member states of the EU negotiate as a single entity in the World Trade Organisation. Under the EU treaty, the Commission has responsibility for conducting the negotiations. However, it is the responsibility of the Council of Ministers to agree the negotiating mandate of the Commission, and if a WTO agreement is concluded, it must be ratified by the Council.
- Negotiations on a new world trade agreement (WTO) commenced in 2001. The EU substantially reformed its own agricultural policy in 1999 and 2003, in preparation for the WTO negotiations. Thus the key issue for Irish farmers is that any commitments which the EU agrees to in WTO, particularly as regards import tariffs, do not result in further cuts in product prices within the EU. The WTO negotiations broke down last July and the timetable for their resumption remains unclear. Ireland can influence the negotiations only by being on the inside in the EU.

## **Future of the CAP**

- It is self-evident that any weakening of the CAP and its supporting budget of €44 billion per annum would have major negative consequences for farm income in Ireland and for the viability of family farming and for the agri-food industry in Ireland. Influence and goodwill are necessary conditions to protect the CAP budget in the context of the upcoming negotiations between the EU member states on the EU budget for 2014 – 2020.
- In the context of the upcoming Lisbon Treaty referendum, farmers, people engaged in the agri-food sector, and their families, need to bear in mind that all the above CAP measures are subject to negotiations in the EU Council of Ministers and the European Parliament, based on proposals from the Commission. Decisions on agriculture in the Council are taken by “qualified majority voting”, and currently Ireland has 7 votes of the 345 total, and 255 are required to reach a qualified majority. For the future, the European Parliament will have co-decision powers with the Council of Ministers on agriculture.
- The only way to ensure that Ireland has the best representation is by this country continuing to be a full EU member at the centre of EU integration, and on the basis of alliances with other member states, built on goodwill and mutual understanding.

## Key Changes arising from the Lisbon Treaty

The Lisbon Treaty is an amendment to the existing EU Treaty and it follows several years of negotiations between the member states. It is aimed at improving the functioning of the European Union's institutions, bearing in mind that it is a Union of 27 member states, and also at enhancing the role of the EU on the world stage. The main changes to the EU institutions are summarised here.

- **European Parliament:** The new Treaty gives the European Parliament a significantly enhanced role. Its legislative powers have been substantially increased, as it will now have co-decision powers with the Council of Ministers on a wide range of new areas. One of these areas is agriculture - the Parliament will have co-decision powers with the Council of Agriculture Ministers.
- **European Council:** The Lisbon Treaty creates a new position of "President of the European Council", who will chair its meetings, progress its work and represent the EU abroad at the highest level. The European Council will elect its President for a period of 2 ½ years, renewable once (i.e. maximum of 5 years).

## Decisions and Legal Guarantees since the last Referendum

### Number of EU Commissioners

It was agreed at the EU Heads of Government meeting in December 2008, subject to the Lisbon Treaty being ratified, that each Member State will retain a Commissioner in the future. If the Lisbon Treaty is not ratified however, the provisions of the existing Nice Treaty will be implemented, which would result in a reduction in the number of Commissioners to not more than two-thirds of the Member States – i.e. 18 Commissioners for 27 member states. In that situation, Ireland, and every other EU Country would have a Commissioner only two terms out of every three.

### Summary of Guarantees attained by the Irish Government

At the EU Summit in June 2009, an international agreement was reached which clarifies the main issues that had concerned Irish voters in relation to the Lisbon Treaty at the first referendum.

These are:

- Clarification that the right to life, family and education policy issues as outlined in the Irish Constitution will not be affected by anything contained in the Lisbon Treaty;
- Confirmation that the Lisbon Treaty does nothing to change the powers of the Member States regarding taxation; and
- Clarification that Ireland's traditional policy of military neutrality will remain unchanged and unaffected by the Lisbon Treaty.

This decision will become legally binding at the same time as the Lisbon Treaty enters into force.